

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5 77 WEST JACKSON BOULEVARD CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF

SEP 1 3 2005

(AE-17J)

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mark Flegenheimer, President Michigan Sugar Company 4800 Fashion Square Blvd. Suite 300 Saginaw, Michigan 48604

Re: Amended Notice of Violation

Michigan Sugar Company

Bay City and Sebewaing, Michigan

Facilities

Dear Mr. Flegenheimer:

The United States Environmental Protection Agency (U.S. EPA) is issuing the enclosed Amended Notice of Violation (NOV) to Michigan Sugar Company (MSC or you) under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). We find that you are violating Part C of the Act, 40 C.F.R. § 52.21, Part D of the Act, and the Michigan State Implementation Plan (SIP) at your Bay City and Sebewaing, Michigan facilities. This amended NOV is a modification to the NOV previously issued to your facilities on June 1, 2005.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil or criminal action. The options we select may depend on, among other things, the length of time you take to achieve and demonstrate continuous compliance with the rules cited in the amended NOV.

We are offering you an opportunity to confer with us about the violations alleged in the amended NOV. The conference will give you an opportunity to present information on the specific findings of

violation, any efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan to have key technical and management personnel attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The U.S. EPA contact in this matter is D.J. Law. You may call him at (312) 886-6024 to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely yours,

Stephen Rothblatt, Director Air and Radiation Division

Enclosure

cc: Bruce Goodman, Varnum, Riddering, Schmidt, & Howlett Steven Smock, Environmental Engineer Robert Kucinski, Environmental Manager Tom Hess, Michigan DEQ Mark Reed, Michigan DEQ

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 5

IN THE MATTER OF:)
) AMENDED
Michigan Sugar Company) NOTICE OF VIOLATION
Bay City and Sebewaing,)
Michigan) EPA-5-05-MI-05
)
)
Proceedings Pursuant to)
Section 113(a)(1) of the)
Clean Air Act, 42 U.S.C.)
§ 7413(a)(1))
)

AMENDED NOTICE OF VIOLATION

The United States Environmental Protection Agency (U.S. EPA) is issuing this Amended Notice of Violation (NOV) under Section 113(a)(1) of the Clean Air Act (Act), 42 U.S.C. § 7413(a)(1). This amended NOV amends the NOV issued to Michigan Sugar Company (MSC) on June 1, 2005. U.S. EPA finds that MSC is violating Part C of the Act, 40 C.F.R. § 52.21, Part D of the Act and the Michigan State Implementation Plan (SIP) adopted under the Act, at the MSC Bay City and Sebewaing facilities as follows:

Statutory and Regulatory Background PSD Requirements

- 1. Part C of the Act, 42 U.S.C. §§ 7470-7479, requires the Administrator to promulgate regulations to prevent the significant deterioration of air quality (PSD) in areas designated as attainment or unclassifiable in accordance with Section 107(d) of the Act, 42 U.S.C. §§ 7407(d). In accordance with this, the Administrator promulgated regulations at 40 C.F.R. § 51.166 setting forth SIP approval requirements for the prevention of significant deterioration of air quality.
- 2. Section 161 of the Act, 42 U.S.C. § 7471, and 40 C.F.R. § 51.166(a)(1) require that the States submit SIPs

- containing emission limitations and other measures necessary to prevent the significant deterioration of air quality.
- On June 19, 1978, U.S. EPA promulgated PSD regulations pursuant to Part C of the Act. (45 Federal Register 26403). U.S. EPA revised the PSD regulations on August 7, 1980 (45 Federal Register 52676), codified at 40 C.F.R. § 52.21 et seq.
- 4. The State of Michigan has not promulgated its own PSD regulations and, therefore, has not satisfied the requirements of Sections 160-165 of the Act in its SIP. The provisions of 40 C.F.R. § 52.21, except paragraph 40 C.F.R. § 52.21(a)(1), are therefore incorporated, and made a part of, the applicable Implementation Plan for the State of Michigan at 40 C.F.R. § 52.1180(b). (45 Fed. Reg. 52741).
- 5. Section 165 of the Act and 40 C.F.R. § 52.21 and prohibit construction of a major stationary source or a major modification without a permit issued under the PSD regulations in any area which has attained the National Ambient Air Quality Standards (NAAQS).
- 6. 40 C.F.R. § 52.21(b)(1)(i) defines "Major Stationary Source" as (a) any of the listed stationary sources of air pollutants which emits, or has the potential to emit, 100 tons per year or more of any pollutant subject to regulation under the Act or (b) any stationary source which emits, or has the potential to emit, 250 tons per year or more of any air pollutant subject to regulation under the Act.
- 7. 40 C.F.R. § 52.21(b)(2)(i) defines "Major Modification" as any physical change or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any air pollutant subject to regulation under the Act.
- 8. 40 C.F.R. § 52.21(b)(3)(i) defines "Net Emissions Increase" as the amount by which the sum of the following exceeds zero: (a) any increase in actual emissions from a particular physical change or change in the method of operation at a stationary source; and (b) any other increases and decreases in actual emissions at the source that are contemporaneous with the particular change and are otherwise creditable.

- 9. 40 C.F.R. § 52.21(b)(4) defines "Potential to Emit" (PTE) as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design.
- 10. 40 C.F.R. § 52.21(b)(23)(i) defines "Significant" as in reference to a net emissions increase or the potential of a source to emit any of the following pollutants, amongst others, a rate of emissions that would equal or exceed any of the following rates:

Pollutant and Emissions Rate

Carbon monoxide 100 tpy
Ozone 40 tpy of volatile organic compounds

- 11. 40 C.F.R. § 52.21(i) provides that no stationary source or modification to which the requirements of paragraphs (j) through (r) of this section apply shall begin actual construction without a permit which states that the stationary source or modification would meet those requirements.
- 12. 40 C.F.R. § 52.21(j) provides that for each pollutant subject to regulation under the Act for which a major modification would result in a significant net emissions increase at the source, the owner or operator of the major modification shall apply Best Available Control Technology (BACT) to each proposed emissions unit at which a net emissions increase would occur as the result of physical changes and changes in the methods of operation of the unit.
- 13. 40 C.F.R. § 52.21(k) through (r) provide that the owner or operator of a major modification shall show that the allowable emissions increase will not contribute to a violation of any NAAQS, and that the increase will not be in excess of any applicable maximum allowable increase over the baseline ambient air concentration.
- 14. 40 C.F.R. § 52.21(r)(4) provides that at such time that a particular source or modification becomes a major stationary source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the

source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then the requirements or paragraphs (j) through (s) of this section shall apply to the source or modification as though construction had not yet commenced on the source or modification.

15. 40 C.F.R. § 52.23 provides, among other things, that failure to comply with any approved regulatory provision of a SIP or with any permit condition, or with any permit limitation or condition contained within an operating permit issued under an EPA-approved program that is incorporated into the SIP, subjects the person or governmental entity so failing to comply, in violation of a requirement of an applicable implementation plan and subject to enforcement action under Section 113 of the Act.

Statutory and Regulatory Background NSR Requirements

- 16. Effective June 30, 1979, the New Source Review regulations at 40 C.F.R § 52.24 prohibited the construction of major stationary sources in nonattainment areas until USEPA approved a SIP that met the requirements of Part D of the Act, 42 U.S.C. §§ 7501-7509.
- 17. Part D of the Act, 42 U.S.C. §§ 7501-7509, specifies the requirements that must be included in a SIP for those areas not attaining the NAAQS. Each SIP must contain a permit program for the construction and operation of new or modified major stationary sources, require those sources to meet an emission limitation defined as the Lowest Achievable Emission Rate (LAER), and require those sources to obtain air emission offsets.
- 18. On May 6, 1980, U.S. EPA approved Michigan's rules for new or modified stationary sources or major modifications constructed in nonattainment areas, as part of the federally enforceable SIP for Michigan. (45 Fed. Reg. 29790). In response to the 1990 Amendments of the Act, Michigan submitted six revisions in the 1990s to meet the requirements of the Act. On November 9, 1999, U.S. EPA proposed to disapprove all revisions submitted by Michigan. (64 Fed. Reg. 61046). To date final action has not been taken.

- 19. Under R 336.1112(c) of the Michigan Air Pollution Control Rules approved on May 6, 1980, "Lowest Achievable Emission Rate" is defined as the rate of emission which reflects the more stringent of the following:
 - A. The most stringent emission limitation which is contained in the implementation plan of any state for such class or category of process or process equipment, unless the owner or operator demonstrates that such limitation is not achievable.
 - B. The most stringent emission limitation which is achieved in practice by such class or category of source, whichever is more stringent.
- 20. Under R 336.1114 of the Michigan Air Pollution Control Rules approved on May 6, 1980, "non-attainment area" is defined, in part, as the area designated by the commission as not having attained full compliance with any national ambient air quality standards. Such designation shall be pollutant specific and shall not mean that an area is a nonattainment area for any other pollutant unless so specified.
- 21. Under R 336.1113(a) of the Michigan Air Pollution Control Rules approved on May 6, 1980, "major offset source" with the respect to nonattainment areas, means any new equipment or accumulation of new equipment at a geographical site owned or operated by the same person which has potential emissions of 100 or more tons per year of particulates, sulfur dioxide, oxides of nitrogen, carbon monoxide, or volatile organic compounds. For purpose of this definition, "new equipment" means any process or process equipment for which a permit to install was approved after December 21, It includes all modifications and all equipment replacements or accumulations of modifications and replacements which have potential emissions of 100 or more tons per year, even if accompanying reductions from the same or other sources lead to a net emission decrease or increase of less than 100 tons per year. It does not include the following:
 - A. Parts replacement considered by the commission to be minor.
 - B. Repair or maintenance considered by the commission

to be routine for that source category.

- C. Increase in emission due to increase in hour of operation unless limited by permit conditions or commission order.
- D. Use of alternative fuels or raw materials if the equipment was designed to accommodate such alternative use prior to the effective date of this rule.
- E. Change in ownership
- 22. Under R 336.1201(1) of the Michigan Air Pollution Control Rules approved on May 6, 1980, a person shall not install, construct, reconstruct, relocate, or modify any process, fuel-burning, or refuse-burning equipment, or control equipment pertaining thereto, which may be a source of an air contaminant, until a permit is issued by the commission.
- 23. Under R 336.1220 of the Michigan Air Pollution Control Rules approved on May 6, 1980, unless the following conditions are met, the commission shall deny a permit to install for a major offset source of volatile organic compounds proposed for location within an ozone nonattainment area:
 - A. The proposed equipment shall comply with the lowest achievable emission rate for volatile organic compounds.
 - B. All existing sources in the state owned or controlled by the owner or operator of the proposed source shall be in compliance with all applicable local, state, and federal air quality regulations or shall be in compliance with a consent order of other legally enforceable agreement specifying a schedule and timetable for compliance.
 - C. Prior to start-up of the proposed equipment, a reduction (offset) of the total hourly and annual volatile organic compound emissions from existing sources equal to 110% of allowed emissions for the proposed equipment shall be provided.
 - D. Subdivision (A) and (C) do not apply if the allowable emission rates for the proposed equipment

are less than 50 tons per year, 1,000 pounds per day, and 100 pounds per hour.

Factual Background

Michigan Sugar Company - Sebewaing Facility

- 24. MSC owns and operates a sugar beet processing plant in Sebewaing, Michigan (Sebewaing facility)located at 763 North Beck Street, Sebewaing, Michigan 48759-1119.
- 25. Sebewaing, Michigan and the Sebewaing facility are located within Huron County, Michigan.
- 26. On March 3,1978, pursuant to the requirements of Section 110 of the Act, 42 U.S.C. § 7410, U.S. EPA designated Huron County, Michigan as a primary nonattainment area of the NAAQS for ozone. (43 Fed. Reg. 8962).
- 27. On February 14, 1996, U.S. EPA corrected an erroneous ozone designation made for Huron County in 1980 and changed its designation status to attainment/unclassifiable for ozone. (61 Fed. Reg. 5707).
- 28. On March 3, 1978, pursuant to the requirements of Section 110 of the Act, 42 U.S.C. § 7410, U.S. EPA designated Huron County, Michigan as an attainment area for CO. (43 Fed. Reg. 8962).
- 29. Huron County, Michigan is currently in an attainment area for CO. 40 C.F.R. § 81.323.
- 30. Huron County, Michigan is currently a basic nonattainment area for the 8-hour ozone standard. 40 C.F.R. § 81.323.

Sebewaing is subject to PSD requirements for CO and VOC1

- 31. On or about August 8, 1980, MSC commenced construction of pulp dryer #3 at its Sebewaing facility.
- 32. At the time of construction of pulp dryer #3, the Sebewaing facility was a major stationary source as defined in 40 C.F.R. § 52.21(b)(1)(i).
- 33. Emissions from pulp dryer #3 at the MSC Sebewaing facility exceed the significant levels, as defined in 40 C.F.R. § 52.21(b)(23)(i) for CO and VOC.
- 34. The installation of pulp dryer #3 at the MSC Sebewaing facility was a major modification as defined in 40 C.F.R. § 52.21(b)(2).
- 35. Therefore, MSC is required to comply with the Act, 40 C.F.R. § 52.21 and the Michigan SIP as a result of its installation of pulp dryer #3 at its Sebewaing facility for CO and VOC.

Michigan Sugar Company - Bay City Facility

- 36. MSC owns and operates a sugar beet processing plant in Bay City, Michigan (Bay City facility) located at 2600 South Euclid Ave, Bay City, Michigan 48706-3414.
- 37. Bay City, Michigan and the Bay City facility are located within Bay County, Michigan.
- 38. On March 3,1978, pursuant to the requirements of Section 110 of the Act, 42 U.S.C. § 7410, U.S. EPA designated Bay County, Michigan as a primary nonattainment area of the

In 1980, at the time of the construction of pulp dryer # 3, Sebewaing was in a nonattainment status for ozone. Therefore, if permitting was done in a timely fashion, the Sebewaing facility would have been subject to the NSR regulations. Due to the error discovered by U.S. EPA in 1996 regarding Huron County's attainment status for ozone, U.S. EPA has concluded that PSD requirements rather than NSR requirements should have applied to the Sebewaing facility at the time of construction of pulp dryer #3. However, since Huron County is currently nonattainment for ozone, for purposes of injunctive relief, the facility is subject to LAER requirements rather than BACT requirements.

NAAQS for ozone. (43 Fed. Reg. 8962).

- 39. On November 13, 2000 U.S. EPA redesignated Bay County, Michigan as an attainment area for ozone. (65 Fed. Reg. 67637).
- 40. On March 3,1978, pursuant to the requirements of Section 110 of the Act, 42 U.S.C. § 7410, U.S. EPA designated Bay County, Michigan as an attainment area for CO. (43 Fed. Reg. 8962.)
- 41. Bay City, Michigan is currently an attainment area for CO, Ozone. 40 C.F.R. § 81.323.

1984 Modification

42. On or about November 1, 1984, MSC commenced construction of pulp dryer #3 at its Bay City facility.

Bay City is subject to PSD requirements for CO in 1984

- 43. At the time of construction of pulp dryer #3, the Bay City facility was a major stationary source as defined in 40 C.F.R. § 52.21(b)(1)(i).
- 44. Emissions from pulp dryer #3 at the MSC Bay City facility exceed the significant level, as defined in 40 C.F.R. § 52.21(b)(23)(i) for CO.
- 45. The installation of pulp dryer #3 at the MSC Bay City facility was a major modification for CO as defined in 40 C.F.R. § 52.21(b)(2).
- 46. Therefore, MSC is required to comply with the Act, 40 C.F.R. § 52.21 and the Michigan SIP as a result of its installation of pulp dryer #3 at its Bay City facility for CO.

Bay City is subject to NSR requirements for VOC in 1984

47. At the time of construction of pulp dryer #3, the Bay City facility was located in an ozone nonattainment area as defined in R 336.1114 of the Michigan Air Pollution Control Rules approved on May 6, 1980.

- 48. At the time of construction of pulp dryer #3, the MSC Bay City facility was a major offset source as defined in R 336.1113(a) of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 49. Emissions from pulp dryer #3 at the Bay City facility did not meet the allowable emission rates specified in R 336.1220(d) of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 50. Therefore, MSC is subject to the conditions of approval for construction of pulp dryer #3 for emissions of volatile organic compounds in ozone nonattainment areas located in R 336.1220 (a) through (c) found in the Michigan Air Pollution Control Rules approved on May 6, 1980.

1995 Modification

51. On October 30, 1995, MSC increased the annual hours of operation at its Bay City facility. This increase in hours required a change to federally enforceable permit conditions for dryers #1, 2 and 3 and boilers #5, 6, and 7.

Bay City is subject to PSD requirements for CO in 1995

- 52. At the time of the increase in annual hours of operation, the MSC Bay City facility was a major stationary source as defined in 40 C.F.R. § 52.21(b)(1)(i).
- 53. Emissions from the increase in annual hours of operation at the MSC Bay City facility exceed the significant level, as defined in 40 C.F.R. § 52.21(b)(23)(i) for CO.
- 54. The increase in annual hours of operation at the MSC Bay City facility was a major modification for CO as defined in 40 C.F.R. § 52.21(b)(2).
- 55. Therefore, MSC is required to comply with the Act, 40 C.F.R. § 52.21 and the Michigan SIP as a result of the increase in annual hours of operation at its Bay City facility.

Bay City is subject to NSR requirements for VOC in 1995

56. At the time of the increase in annual hours of operation, the Bay City facility was located in an ozone nonattainment

- area as defined in R 336.1114 of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 57. At the time of the increase in annual hours of operation, the MSC Bay City facility was a major offset source as defined in R 336.1113(a) of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 58. Emissions from dryers #1, 2, and 3 and boilers #5, 6, and 7 did not meet the allowable emission rates specified in R 336.1220(d) of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 59. Therefore, dryers #1, 2, and 3, and boilers #5, 6, and 7 are subject to the conditions of approval for construction of sources of volatile organic compounds in ozone nonattainment areas located in R 336.1220 (a) through (c) found in the Michigan Air Pollution Control Rules approved on May 6, 1980.

<u>Violations</u>

Sebewaing Facility

- 60. MSC violated, and continues to violate Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(i), and the Michigan SIP, by beginning construction of pulp dryer #3 at the Sebewaing facility without first obtaining a complete PSD permit for CO and VOC.
- 61. MSC violated, and continues to violate, Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(j)(3), and the Michigan SIP, by failing to install BACT for CO and LAER for VOC² on pulp dryer #3 at the Sebewaing facility.
- 62. MSC violated, and continues to violate, Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(k) through (r), and the Michigan SIP, by failing to conduct a complete source impact analysis for CO and VOC prior to the construction of pulp dryer #3 at the Sebewaing facility.

² Note that because Huron County is currently in nonattainment status for ozone, the LAER standards must apply for purposes of injunctive relief.

Bay City Facility

PSD Violations for CO due to 1984 and 1995 Modifications

- 63. MSC violated, and continues to violate, Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(i), and the Michigan SIP, by beginning construction of pulp dryer #3 at the Bay City facility without first obtaining a complete PSD permit for CO.
- 64. MSC violated, and continues to violate, Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(j)(3), and the Michigan SIP, by failing to install BACT for CO on pulp dryer #3 at the Bay City facility.
- 65. MSC violated, and continues to violate, Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(k) through (r), and the Michigan SIP, by failing to conduct a complete source impact analysis for CO prior to the construction of pulp dryer #3 at the Bay City facility.
- 66. MSC violated, and continues to violate, Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(i), and the Michigan SIP, by increasing the hours of operation of dryers #1, 2 and 3 and boilers #5, 6, and 7 at the Bay City facility without first obtaining a complete PSD permit for CO.
- 67. MSC violated, and continues to violate, Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(j)(3), and the Michigan SIP, by failing to install BACT for CO on pulp dryers #1, 2, and 3 and boilers #5, 6, and 7 at the Bay City facility.
- 68. MSC violated, and continues to violate, Section 165(a)(1) of the Act, 40 C.F.R. § 52.21(k) through (r), and the Michigan SIP, by failing to conduct a complete source impact analysis for the CO emissions increase as a result of the increased annual hours of operation of pulp dryers #1, 2, and 3 and boilers #5, 6, and 7 at the Bay City facility.

NSR Violations for VOC due to 1984 and 1995 Modifications

69. MSC violated, and continues to violate Section 173 of the Act and the Michigan SIP, by beginning construction of pulp dryer #3 at the Bay City facility without first obtaining a complete NSR permit for VOC, as required by R 336.1201 of

the Michigan Air Pollution Control Rules approved on May 6, 1980.

- 70. MSC violated, and continues to violate Section 173 of the Act and the Michigan SIP, by failing to install LAER for VOC on pulp dryer #3 at the Bay City facility, as required by R 336. 1220 of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 71. MSC violated, and continues to violate Section 173 of the Act and the Michigan SIP, by failing to acquire appropriate offsets for VOC prior to the start-up of pulp dryer #3, as required by R 336. 1220 of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 72. MSC violated, and continues to violate Section 173 of the Act and the Michigan SIP, by increasing the hours of operation of dryers #1, 2 and 3 and boilers #5, 6, and 7 at the Bay City facility without first obtaining a complete NSR permit for VOC, as required by R 336.1201 of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 73. MSC violated, and continues to violate Section 173 of the Act and the Michigan SIP, by failing to install LAER for VOC on pulp dryers #1, 2, and 3 and boilers #5, 6, and 7 at the Bay City facility, as required by R 336.1220 of the Michigan Air Pollution Control Rules approved on May 6, 1980.
- 74. MSC violated, and continues to violate Section 173 of the Act and the Michigan SIP, by failing to acquire appropriate offsets for VOC prior to increasing hours at pulp dryers #1, 2, and 3 and boilers #5, 6, and 7 at the Bay City facility, as required by R 336.1220 of the Michigan Air Pollution Control Rules approved on May 6, 1980.

9/13/2005

Date

Stephen Rothblatt, Director Air and Radiation Division

CERTIFICATE OF MAILING

I, Shanee Rucker, certify that I sent a Notice of Violation,
No. EPA-5-05-MI-05, by Certified Mail, Return Receipt Requested,
to:

Mark Flegenheimer, President Michigan Sugar Company 4800 Fashion Square Blvd. Suite 300 Saginaw, Michigan 48604

I also certify that I sent copies of the Notice of Violation by first class mail to:

Mark Reed
Saginaw Bay Air Quality Division District Supervisor
Michigan Department of Environmental Quality
Suite 1
503 Euclid Avenue
Bay City, Michigan 48706-2965

Tom Hess
Compliance and Enforcement Section Supervisor
Michigan Department of Environmental Quality
Air Quality Division
P.O. Box 30260
Lansing, Michigan 48909

Bruce Goodman
Varnum, Riddering, Schmidt, & Howlett
Bridgewater Place
333 Bridge Street, N.W.
P.O. Box 352
Grand Rapids, Michigan 49501-0352

Steven Smock Michigan Sugar Company 4800 Fashion Square Blvd. Suite 300 Saginaw, Michigan 48604 Robert Kucinski Michigan Sugar Company 2600 S Euclid P.O. Box 917 Bay City, Michigan 48707

on the 13th day of Sysknbu 2005

Shanee Rucker, Secretary AECAS (MI/WI)

Certified Mail Receipt Number: 700/03200006/4478782